

RECORDATION NO. 8390 Filed & Recorded

JUN 29 1976 - 10 52 AM
INTERSTATE COMMERCE COMMISSION

Virginia N. Shanahan
Notary Public

May 4, 1986

MANUFACTURERS HANOVER LEASING CORPORATION

30 ROCKEFELLER PLAZA, NEW YORK, N. Y. 10020

LESSOR: MANUFACTURERS HANOVER LEASING CORPORATION ("Lessor")

LEASE NO. _____

LESSEE: ILLINOIS CENTRAL GULF RAILROAD COMPANY

("Lessee")

ADDRESS: 233 North Michigan Avenue, Chicago, Illinois 60601

1. **LEASE.** Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, on the terms and conditions hereinafter set forth, the items of personal property (the "Equipment") described in each Acceptance Supplement (a "Supplement") which is executed and delivered by Lessor and Lessee pursuant to the terms of this Master Equipment Lease. Each Supplement shall be in the form prescribed by Lessor and, upon the execution and delivery thereof, shall constitute a part of this Master Equipment Lease to the same extent as if the provisions thereof were set forth in full in this Master Equipment Lease; and the terms "Agreement", "hereof", "herein" and "hereunder", when used in this Master Equipment Lease, shall mean this Master Equipment Lease and each such Supplement. This Agreement constitutes an agreement of lease and nothing herein contained shall be construed as conveying to Lessee any right, title or interest in the Equipment except as lessee only.

2. **TERM; ACCEPTANCE; RENT; RETURN.** The term of lease of each item of Equipment leased hereunder shall commence on the Commencement Date specified in the Supplement pertaining to such Equipment and, unless earlier terminated pursuant to the provisions hereof, shall continue for the term specified in such Supplement. Lessee's execution and delivery of each Supplement shall constitute Lessee's irrevocable acceptance of the Equipment covered thereby for all purposes of this Agreement. Lessee shall pay to Lessor (at Lessor's office specified above or as Lessor may otherwise designate), rent for each item of Equipment in periodic installments of such amounts and at such times as is set forth in the Supplement pertaining thereto. Each date on which an installment of rent is payable hereunder is hereinafter called a "Rent Payment Date". Lessee shall also pay to Lessor, on demand, interest at the rate of ~~XX~~ per annum or at the highest rate permitted by law, whichever is less, on any installment of rent and on any other amount owing hereunder which is not paid when due for any period when the same shall be overdue. Upon the expiration or earlier termination of the term of lease of each item of Equipment leased hereunder, Lessee shall at its expense return such item to Lessor at such location as Lessor may designate, in the condition required to be maintained by Section 7 hereof.

3. **DISCLAIMER.** LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER. Lessee confirms that it has made (or will make) the selection of each item of Equipment on the basis of its own judgment and expressly disclaims reliance upon any statements, representations or warranties made by Lessor. Lessor shall not be liable to Lessee for any matter relating to the ordering, manufacture, purchase, delivery, assembly, installation, testing, operation or servicing of the Equipment; or for any claim, loss, damage or expense of any kind caused by the Equipment.

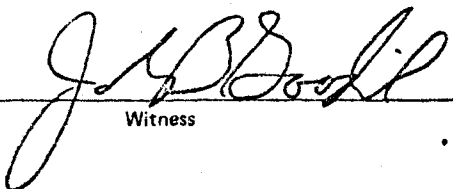
4. **EQUIPMENT TO REMAIN PERSONAL PROPERTY; LOCATION; IDENTIFICATION; INSPECTION.** Lessee represents that the Equipment shall be and at all times remain separately identifiable personal property. Lessee shall, at its expense, take such action as may be necessary to prevent any third party from acquiring any right to or interest in the Equipment by virtue of the Equipment being deemed to be real property or a part of other personal property. The Equipment may not be removed from the location specified in the Supplement pertaining thereto without Lessor's prior written consent. If requested by Lessor, Lessee shall attach to and maintain on the Equipment a conspicuous plate or marking disclosing Lessor's ownership interest therein. Lessor or its representatives may, at reasonable times, inspect the Equipment.

5. **TAXES; INDEMNITY.** Lessee agrees to pay, and to indemnify and hold Lessor harmless from, all license fees, assessments, and sales, use, property, excise and other taxes and charges (other than those measured by Lessor's net income) now or hereafter imposed by any governmental body or agency upon or with respect to (a) the Equipment or the possession, ownership, use or operation thereof or (b) this Agreement or the consummation of the transactions herein contemplated. Lessee further agrees to assume liability for, and to indemnify and hold Lessor harmless against, all claims, costs, expenses, damages and liabilities arising from or pertaining to the manufacture, assembly, installation, ownership, use, possession and operation of the Equipment. The agreements and indemnities contained in this Section shall survive the expiration or earlier termination of this Agreement.

6. **NON CANCELLABLE AGREEMENT; LESSEE'S OBLIGATIONS UNCONDITIONAL.** This Agreement cannot be cancelled or terminated except as expressly provided herein. Lessee hereby agrees that its obligation to pay all rent and other amounts payable hereunder and to perform its duties with respect hereto shall be absolute and unconditional under any and all circumstances, including, without limitation, the following: (i) any setoff, counterclaim, recoupment, defense or other right which Lessee may have against Lessor, the manufacturer or supplier of any Equipment or anyone else for any reason whatsoever, (ii) any defect in the condition, design, title, operation or fitness for use, or any damage to or loss, of any Equipment, (iii) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or (iv) any other event or circumstances whatsoever, whether or not similar to any of the foregoing. Each rent or other payment made by Lessee hereunder shall be final and Lessee will not seek to recover all or any part of such payment from Lessor for any reason whatsoever.

THE TERMS AND CONDITIONS CONTINUED ON THE REVERSE SIDE HEREOF CONSTITUTE AN INTEGRAL PART OF THIS AGREEMENT. This Agreement correctly sets forth the entire agreement between Lessor and Lessee. No agreements or understandings shall be binding on either of the parties hereto unless specifically set forth herein. The term "Lessee" as used herein shall mean and include any and all lessees who sign hereunder, each of whom shall be jointly and severally bound thereby.

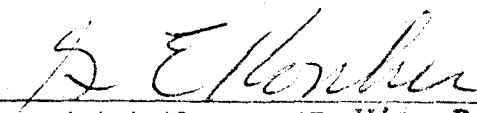
Executed this 23rd day of April, 19 76



Witness

By execution hereof, the signer hereby certifies that he has read this Agreement, INCLUDING THE REVERSE SIDE HEREOF, and that he is duly authorized to execute this Master Equipment Lease on behalf of Lessee.

LESSEE: ILLINOIS CENTRAL GULF RAILROAD COMPANY

By 

Authorized Signature and Title Vice President

LESSOR: MANUFACTURERS HANOVER LEASING CORPORATION

7. **USE, REPAIRS, ETC.** Lessee will cause the Equipment to be operated in accordance with the manufacturer's or supplier's instructions or manuals, by competent and duly qualified personnel only and in compliance with all laws, regulations and the insurance policies which Lessee is required to maintain hereunder. Lessee will at its expense maintain the Equipment in good repair, condition and working order and furnish all parts, mechanisms, devices and servicing required therefor so that the value and condition thereof will at all times be maintained, fair wear and tear excepted. All such parts, mechanisms and devices shall immediately, without further act, become part of the Equipment for all purposes of this Agreement without cost to Lessor.

8. **ASSIGNMENTS, SUBLETTING, ENCUMBRANCES.** Lessee will not, without Lessor's prior written consent, assign or transfer this Agreement or any interest herein, or sublease or relinquish possession of, or create or suffer to exist any lien, mortgage, security interest or encumbrance upon, the Equipment.

9. **LOSS, DAMAGE.** If any Equipment shall be lost, stolen, destroyed, damaged beyond repair or rendered permanently unfit for normal use for any reason, or in the event of any condemnation, confiscation, seizure or requisition of title to or use of any Equipment (each of the foregoing being hereinafter called a "Loss"), Lessee shall promptly pay to Lessor an amount equal to the sum of (i) all rent and other amounts due and owing hereunder for such Equipment to and including the date of the Loss and (ii) the Stipulated Loss Value of such Equipment computed as of the Rent Payment Date occurring on or immediately preceding the date of the Loss, whereupon Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title and interest in such Equipment. If any Equipment is damaged as the result of an event not constituting a Loss, Lessee shall promptly cause such item to be repaired or replaced in accordance with the provisions of Section 7 hereof.

10. **INSURANCE.** Lessee shall maintain at all times on the Equipment, at its expense, property damage, direct damage and liability insurance in such amounts, against such risks, in such form and with such insurers as shall be satisfactory to Lessor; provided, that the amount of direct damage insurance shall not on any date be less than the greater of the full replacement value or the Stipulated Loss Value of the Equipment as of such date. Each insurance policy will name Lessor as an additional insured and as loss payee, and shall contain a clause requiring the insurer to give to Lessor at least 10 days prior written notice of any alteration in or cancellation of the terms of such policy. At Lessor's option, Lessee shall furnish to Lessor a certificate or other evidence satisfactory to Lessor that such insurance coverage is in effect, provided, however, that Lessor shall be under no duty to ascertain as to the existence or adequacy of such insurance.

11. **DEFAULT.** If (i) Lessee shall fail to make any payment of rent or other amount owing hereunder when due, (ii) Lessee shall fail to perform or observe any other covenant, agreement or condition hereunder, (iii) any representation or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith shall prove to be incorrect at any time, or (iv) Lessee shall become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver, or a trustee or receiver shall be appointed for Lessee or for a substantial part of its property or for the Equipment, or bankruptcy, reorganization, arrangement, insolvency, dissolution or liquidation proceedings shall be instituted by or against Lessee (each of the foregoing being herein called an "Event of Default"), then Lessor may declare this Agreement to be in default and may do one or more of the following with respect to any or all of the Equipment as Lessor in its sole discretion may elect, to the extent permitted by, and subject to compliance with any mandatory requirements of, applicable law then in effect: (a) demand that Lessee, and Lessee shall at its expense upon such demand, return the Equipment promptly to Lessor in the manner and condition required by and otherwise in accordance with the provisions of Section 2 hereof as if the Equipment were being returned at the expiration of its term of lease hereunder, or Lessor, at its option, may enter upon the premises where the Equipment is located and take possession of and remove the same by summary proceedings or otherwise, all without liability to Lessor for damage to property or otherwise; (b) sell the Equipment at public or private sale, with or without notice to Lessee or advertisement, or otherwise dispose of, hold, use, operate, lease to others or keep idle the Equipment as Lessor may determine, all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto; (c) by written notice to Lessee, demand that Lessee pay and Lessee shall pay to Lessor, as liquidated damages for loss of a bargain and not as a penalty, on the payment date specified in such notice, an amount (together with interest thereon at the rate provided in Section 2 hereof from said date to the date of actual payment) equal to the amount by which the Stipulated Loss Value of the Equipment computed as of the Rent Payment Date occurring on or immediately preceding the payment date specified in such notice exceeds the Fair Market Sales Value of such Equipment; and (d) Lessor may exercise any other right or remedy which may be available to it under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to rescind this Agreement. In addition, Lessee shall be liable for all unpaid rent and other amounts due hereunder before or during the exercise of any of the foregoing remedies and for all legal fees, taxes, governmental charges and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including placing any Equipment in the condition required by Section 7 hereof.

For the purpose of the preceding paragraph, the "Fair Market Sales Value" of any Equipment shall mean such value to Lessor net of all expenses and costs whatsoever which would be incidental to the reclamation of the Equipment and the sale thereof as determined (at Lessee's expense) by an independent appraiser selected by Lessor; *provided, however* that (i) the "Fair Market Sales Value" of any Equipment shall be zero if Lessor is unable to recover possession thereof in accordance with the terms of clause (a) of the immediately preceding paragraph, and (ii) if Lessor shall have sold any Equipment prior to the giving of the notice referred to in clause (c) of the immediately preceding paragraph, the "Fair Market Sales Value" thereof shall be the net proceeds of such sale after deducting all costs and expenses incurred by Lessor in connection therewith. Except as expressly provided above, no remedy referred to in this Section is exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor at law or equity; and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any other remedies. No express or implied waiver by Lessor of any Event of Default shall constitute a waiver of any other or subsequent Event of Default. To the extent permitted by law, Lessee waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise use the Equipment in mitigation of Lessor's damages or which may otherwise limit or modify any of Lessor's rights or remedies hereunder.

12 ~~XXXXXXXXXXXXXXXXXXXX~~ DEPRECIATION INDEMNITY. If as a result of any act or failure to act of Lessee, Lessor ~~XXXXXXXXXX~~
~~XX~~
~~XX~~
~~XX~~
~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ (c) shall not be entitled for each of its taxable years (or portions thereof) in which this Agreement is in effect to a
depreciation deduction with respect to the full cost of the Equipment which is based on a method of depreciation provided by Section 167(b)(2), (3) or
(4) or successor provisions of the Code, then Lessee agrees to pay Lessor upon demand a sum which, after deduction of all taxes required to be paid by
Lessor in respect of the receipt thereof, shall be equal to ~~(XX~~
~~XX~~
~~XX~~ an amount equal to the
additional income taxes paid or payable by Lessor in consequence of the failure to obtain the benefit of a depreciation deduction on the aforesaid basis,
together with any interest or penalty which may be assessed in connection with any of the foregoing. The provisions of this Section 12 shall survive the
expiration or earlier termination of this Agreement.

13. LESSOR'S RIGHTS TO PERFORM. If Lessee fails to make any payment required to be made hereunder or fails to comply with any other agreements contained herein, Lessor may make such payment or comply with such agreement, and the amount of such payment and the reasonable expenses of Lessor incurred in connection with such payment or compliance, shall be payable by Lessee on demand.

14. **FURTHER ASSURANCES.** Lessee will, at its expense, promptly and duly execute and deliver to Lessor such further documents and assurances and take such further action as Lessor may from time to time request in order to more effectively carry out the intent and purpose of this Agreement, and to establish and protect the rights, interests and remedies intended to be created in favor of Lessor hereunder, including, without limitation, the execution and filing of financing statements and continuation statements with respect to the Equipment and this Agreement. Lessee authorizes Lessor to effect any such filing (including the filing of any financing statements without the signature of Lessee) and Lessor's expenses with respect thereto shall be payable by Lessee on demand.

15. NOTICES. All notices and other communications required to be given to any party hereunder shall be in writing and delivered or mailed by regular mail to such party at its address set forth above or at such other address as it may designate to the other parties.

16 MISCELLANEOUS. As used in this Agreement, the "Stipulated Loss Value" for any Equipment shall mean, as of any Rent Payment Date, an amount determined by multiplying the cost of such Equipment by the percentage specified opposite such Date in Schedule A annexed hereto. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee waives any provision of law which renders any provision hereof unenforceable in any respect. No provision of this Agreement may be changed, waived or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver or termination is sought. This Agreement and the provisions hereof shall inure to the benefit of Lessor and its successors and assigns, and shall be binding on and (to the extent permitted by Section 8 hereof) inure to the benefit of Lessee and its successors and assigns. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

RIDER

Rider to that certain Master Lease Agreement ("Agreement") dated the 23rd day of April, 1976 between Illinois Central Gulf Railroad Company ("Lessee") and Manufacturers Hanover Leasing Corporation ("Lessor"). Terms defined in the Agreement shall have the same meaning when used herein.

1. Section 1 of the Agreement is hereby amended by inserting the following sentences in Line 3 of Section 1 after the first sentence:

"Lessor's obligation is limited to leasing Equipment having an aggregate equipment cost not to exceed \$1,800,000 to be leased on or before December 31, 1976. Equipment to be leased hereunder shall be two-way radios and base stations, microwave towers, antennae, various microwave electronic components and various maintenance of way equipment and retarders acceptable to Lessor. In no event shall Lessor be required to execute or accept more than ten (10) Supplements pursuant hereto."

2. Section 2 of the Agreement is hereby amended by deletion of the words "when due for any period when the same shall be overdue" in Line 7 of Section 2 and substituting therefor the phrase, "within ten (10) days of its due date."

3. Section 2 of the Agreement is further amended by insertion of the phrase "but within 200 miles of its delivery point to Lessee," after the comma in the last line of Section 2.

4. Notwithstanding anything to the contrary contained in Section 4 of the Agreement it is agreed that the Equipment may be moved to a location other than as stated in the Acceptance Supplement so long as said Equipment remains on property of Lessee, and that upon fifteen (15) days written request of Lessor, Lessee shall provide a complete list of the location of all of the Equipment.

5. Notwithstanding anything to the contrary contained in Section 5 of the Agreement, Lessee shall not have to indemnify Lessor for any loss or liability with respect to the Equipment arising from acts or events which occur after the Equipment is no longer subject to the Agreement.

6. Section 10 of the Agreement is hereby amended by deleting the first line thereof and the second line thereof up to the semicolon and substituting for it the following:

"10. Insurance. Lessee shall maintain at all times on the Equipment, at its expense, property damage, direct damage and liability insurance in such amounts, against such risks and in such form as the Lessee customarily maintains against its own property of similar nature and with reputable, national insurance carriers;

7. Section 11 of the Agreement is amended by the addition (a) of the phrase, "and such failure shall continue for a period of ten (10) days after notice thereof," at the end of (i) thereof; and (b) of the phrase, "and such failure shall continue for fifteen (15) days thereafter," at the end of (ii) thereof.

8. The Lessor and Lessee hereby agree that there shall be added to the Agreement additional Section 17, 18, 19, 20, 21, 22, 23, and 24 which shall read as follows:

"17. Conditions Precedent. The obligation of Lessor contained in Section 1 of the Agreement shall be subject to the following conditions: (i) Lessor shall have received good and marketable title for each item of Equipment; and (ii) there shall have occurred no material adverse change in the financial condition of Lessee from the date hereof until the date of any given Supplement. If any of the above conditions have not been satisfied at the time the Lessee submits a Supplement with respect to any items of Equipment, the Lessor shall have no obligation to lease the item(s) of Equipment described in said Supplement to the Lessee under this Agreement.

"18. Contents of Each Supplement. Each Supplement shall (i) be completed in full; (ii) shall specify that rent for the microwave towers and antennae shall be payable for a period of ten (10) years in forty (40) consecutive quarterly installments and shall specify that rent for all other items of Equipment shall be payable for a period of eight (8) years in thirty-two (32) consecutive quarterly installments in each case the first payment would be due three (3) months after the Commencement Date specified in the Supplement applicable thereto; and (iii) shall indicate a quarterly rental payment in an amount equal to \$39.2033 per \$1,000 of the aggregate cost of the microwave towers and antennae covered thereby or \$46.1365 per \$1,000 of all the other Equipment covered thereby.

"19. Lessee's Purchase Option. Lessor and Lessee hereby agree that, with respect to each item of Equipment, Lessee shall have the option to purchase said item of Equipment, at the expiration of the lease term with respect thereto, at a price equal to its then appraised fair market value, as determined by an independent appraiser selected by the Lessor. In order to exercise said option with respect to any given item of Equipment, Lessee must (a) give

Lessor written notice thereof at least ninety (90) days prior to the expiration of the lease term with respect thereto, and (b) remit the purchase price in cash to Lessor or its assigns on or before said expiration date. After receipt of the purchase price in accordance with this paragraph, Lessor will transfer to Lessee, on said expiration date, all of its rights, title and interest in the Equipment purchased, as-is, where-is, without representation and warranty of any kind, expressed or implied.

"20. Financial Statements. Lessee covenants that, for so long as any item of Equipment shall be leased under this Agreement, Lessee will deliver or will cause to be delivered to Lessor: (a) ~~as soon as practicable, and in any event within 60 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, consolidated statements of earnings and retained earnings and changes in financial position of IC Industries, Inc. and its subsidiaries for that part of the fiscal year ended with such quarterly period and a consolidated balance sheet of IC Industries, Inc. and its subsidiaries as at the end of such period, setting forth in each case in comparative form the corresponding figures for and as at the end of the corresponding period of the preceding fiscal year, all in reasonable detail in accordance with generally accepted accounting principles applies on a consistent basis and certified by the chief financial officer of IC Industries, Inc. subject to year end audit adjustments;~~ (b) as soon as practicable, and in any event within 90 days after the end of each fiscal year, consolidated statements of earnings and retained earnings and changes in financial position of IC Industries, Inc. and its subsidiaries for such year, and a consolidated balance sheet of IC Industries, Inc. and its subsidiaries as at the end of such fiscal year, setting forth in each case in comparative form the corresponding figures of the previous annual audit, all in reasonable detail in accordance with generally accepted accounting principles applied on a consistent basis and certified by, and accompanied by a report or opinion of, independent accountants of recognized standing selected by IC Industries, Inc. and (c) as soon as practicable, and in any event within thirty (30) days after filing with the Interstate Commerce Commission ("ICC"), of quarterly and annual financial statements of Lessee required by the ICC from time to time.

LESSOR

LESSEE

LESSEE

"21. Lessee's Representation. Lessee hereby represents and warrants that at the end of the lease term for any item of new Equipment leased hereunder the residual economic value of any item of Equipment shall be at least 20% of Lessor's cost therefor and the residual useful life shall be at least 20% of the lease term therefor.

"22. ITC Election. Lessor and Lessee hereby agree that, upon Lessee's written request, Lessor will file an ITC Election form treating Lessee as having acquired all items of Equipment for purposes of the Investment Tax Credit. Lessor makes no representation or warranty whatsoever as to the availability of such Investment Tax Credit to Lessor or Lessee.

"23. Commitment Fee. Lessor hereby acknowledges receipt of a commitment fee in the amount of \$9,000. Upon the execution of the last Supplement, Lessor will refund said commitment fee or portion thereof according to the following formula:

Amount of = \$9,000 X	Aggregate Equipment cost of
Refund	<u>all Equipment leased hereunder</u>
	\$1,800,000

"24. Accessories. Lessee will not alter or add to the Equipment in any manner which would adversely affect the utility or commercial value thereof without Lessor's prior written consent, except that Lessee may add or install Accessories which may be added and removed without material adverse effect upon the condition or commercial value of the Equipment to which it is added. Any and all Accessories shall be removed by Lessee at the end of the Lease Term for each altered item of Equipment. Lessee represents that the condition and commercial value of any altered Equipment after any such removal shall be at least as good as if no Accessories had been added to said Equipment. For purposes of this Section 24 Accessories shall mean items owned by the Lessee and not subject to any lien or security interest of any party other than Lessor or Lessee and installed or affixed to the Equipment for purposes other than repair, replacement, servicing or maintenance as required by Section 7 of the Agreement."

9. As used in this Agreement the "Stipulated Loss Value" (a) for any microwave towers and antennae leased hereunder shall mean, as of any Rent Payment Date, an amount determined by multiplying the cost of such Equipment by the

percentage specified opposite such date in Schedule A annexed hereto and (b) for any other item of Equipment leased hereunder shall mean, as of any Rent Payment Date, an amount determined by multiplying the cost of such Equipment by the percentage specified opposite such date in Schedule B annexed hereto.

10. Lessor and Lessee hereby agree that except as expressly modified hereby, all terms and conditions on the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Rider to be executed by their duly authorized officers this 23rd day of April, 1976.

MANUFACTURERS HANOVER LEASING
CORPORATION (Lessor)

ILLINOIS CENTRAL GULF RAILROAD
COMPANY (Lessee)

BY: [Signature]

Title: [Signature]

BY: [Signature]

Title: Vice President

SCHEDULE A

Schedule A to that certain Master Lease Agreement by and between Illinois Central Gulf Railroad Company and Manufacturers Hanover Leasing Corporation dated as of the 23rd day of April, 1976.

RENT PAY-
MENT DATE

STIPULATED
LOSS VALUE

Closing

1	103.3828
2	100.0489
3	98.8380
4	98.1252
5	97.3233
6	96.4309
7	95.4605
8	94.4111
9	93.2816
10	92.0711
11	90.7874
12	89.4295
13	87.9965
14	86.4875
15	84.9069
16	83.2539
17	81.5276
18	79.7270
19	77.8566
20	75.9156
21	73.9032
22	71.8183
23	69.6656
24	67.4442
25	65.1532
26	62.7918
27	60.3645
28	57.8705
29	55.3091
30	52.6792
31	49.9856
32	47.2274
33	44.4038
34	41.5141
35	38.5789
36	35.5978
37	32.5701
38	29.4954
39	27.8590
40	26.7655
	20.0000

MANUFACTURERS HANOVER LEASING
CORPORATION (Lessor)

ILLINOIS CENTRAL GULF RAILROAD
COMPANY (Lessee)

BY: [Signature]

Title: [Signature]

BY: [Signature]

Title: Vice President

SCHEDULE B

Schedule B to that certain Master Lease Agreement by and between Illinois Central Gulf Railroad Company and Manufacturers Hanover Leasing Corporation dated as of the 23rd day of April, 1976.

RENT PAY-
MENT DATE

STIPULATED
LOSS VALUE

Closing	103.4476
1	99.8463
2	97.5734
3	96.2172
4	94.7642
5	93.2132
6	91.5761
7	89.8519
8	88.0396
9	86.1380
10	84.1547
11	82.0887
12	79.9389
13	77.7043
14	75.3892
15	72.9927
16	70.5137
17	67.9512
18	65.3095
19	62.5877
20	59.7848
21	56.8997
22	53.9369
23	50.8953
24	47.7741
25	44.5721
26	41.2938
27	37.9382
28	35.3929
29	33.1783
30	31.1202
31	29.0293
32	20.0000

MANUFACTURERS HANOVER LEASING
CORPORATION (Lessor)

ILLINOIS CENTRAL GULF RAILROAD
COMPANY (Lessee)

BY: [Signature]

Title: [Signature]

BY: [Signature]

Title: Vice President

STATE OF ILLINOIS)

) SS.

COUNTY OF C O O K)

On this 16th day of May, 1976,
before me personally appeared G. E. Konker,
to me personally known, who being by me duly sworn, says that
he is the Vice President of Illinois Central Gulf
Railroad Company, that the seal affixed to the
foregoing instrument is the corporate seal of said corporation,
that said instrument was signed and sealed on behalf of said
corporation by authority of its Board of Directors, and he
acknowledged that the execution of the foregoing instrument was
the free act and deed of said corporation.

James P. Higgins

My Commission expires SEP 22 1977

STATE OF New York)
COUNTY OF Westchester) SS.

On this 18th day of May,
1976, before me personally appeared James P. Higgins,
to me personally known, who being by me
duly sworn, says that he is the Vice President of
Illinois Central Gulf Railroad Company, that the seal affixed to
the foregoing instrument is the corporate seal of said corpora-
tion, that said instrument was signed and sealed on behalf of
said corporation by authority of its Board of Directors, and he
acknowledged that the execution of the foregoing instrument was
the free act and deed of said corporation.

Mario O. Morrone

My commission expires March 30, 1978

MARIO O. MORRONE
Notary Public, State of New York
No. 31-4519684
Qualified in New York County
My Commission Expires March 30, 1978